

## 6. INFORMATION ON OUR GROUP

### 6.1 INFORMATION ON OUR COMPANY

Our Company was incorporated in Malaysia under the Companies Act 1965 on 10 March 2016 as a public limited company under the name of KTI Property Berhad and is deemed registered under the Act. Subsequently on 14 July 2022, our Company changed its name to KTI Landmark Berhad.

Our Company is principally an investment holding company. There has been no material change in the manner in which we conduct our business or activities since our incorporation and up to LPD. Through our subsidiaries, we are a property developer, principally involved in the provision of design and build construction services and property development. Please refer to Section 7.1 for detailed information of our Group's history.

As at LPD, our issued share capital is RM107,584,002 comprising 640,000,000 Shares. The movements in our share capital since the date of our incorporation are set out below:

<b>Date of allotment</b>	<b>No. of Shares allotted</b>	<b>Consideration / Types of issue</b>	<b>Cumulative share capital RM</b>
10 March 2016	2	RM2 / Subscribers' shares	2
27 December 2018	1	RM1 / Cash	3
[•]	639,999,997	RM107,583,999 / Consideration for the Acquisitions	107,584,002

As at LPD, we do not have any outstanding warrants, options, convertible securities and uncalled capital. In addition, there were no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

Upon completion of our IPO, our enlarged share capital will increase to RM[•] comprising 800,000,000 Shares.

### 6.2 DETAILS OF THE ACQUISITIONS

In preparation for our Listing, we have undertaken the Acquisitions. On 19 June 2023, we entered into the following agreements:

- (a) a conditional share sale agreement with Chin Mee Leen and Loke Theen Fatt to acquire the entire equity interest in KTID, comprising 1,000,000 ordinary shares for a purchase consideration of RM55.7 million which was satisfied by the issuance and allotment of 331,467,997 new Shares to Chin Mee Leen and Loke Theen Fatt at an issue price of RM0.1681 each, credited as fully paid up; and
- (b) a conditional share sale agreement with Chin Mee Leen and Loke Theen Fatt to acquire the entire equity interest in KTISB, comprising 1,000,000 ordinary shares for a purchase consideration of RM51.9 million which was satisfied by the issuance and allotment of 308,532,000 new Shares to Chin Mee Leen and Loke Theen Fatt at an issue price of RM0.1681 each, credited as fully paid up.

**6. INFORMATION ON OUR GROUP (Cont'd)**

Details of the Acquisitions and the number of Shares issued to the vendors under the Acquisitions are as follows:

**(i) Acquisition of KTID**

<b>Vendors of KTID</b>	<b>Shareholdings in KTID</b>		<b>Purchase consideration</b>	<b>No. of Shares issued</b>
	<b>No. of shares acquired</b>	<b>% of share capital</b>		
Chin Mee Leen	750,000	75.0	41,789,828	248,600,999
Loke Theen Fatt	250,000	25.0	13,929,942	82,866,998
	<b>1,000,000</b>	<b>100.0</b>	<b>55,719,770</b>	<b>331,467,997</b>

The purchase consideration for the Acquisition of KTID of RM55.7 million was arrived at on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of KTID as at 31 December 2022 of RM55.7 million, after adjusting for the dividends declared and paid up to LPD of RM15.0 million and the dividends of RM15.0 million to be declared prior to the completion of our Listing.

**(ii) Acquisition of KTISB**

<b>Vendors of KTISB</b>	<b>Shareholdings in KTISB</b>		<b>Purchase consideration</b>	<b>No. of Shares issued</b>
	<b>No. of shares acquired</b>	<b>% of share capital</b>		
Chin Mee Leen	887,326	88.7	46,020,485	273,768,500
Loke Theen Fatt	112,674	11.3	5,843,744	34,763,500
	<b>1,000,000</b>	<b>100.0</b>	<b>51,864,229</b>	<b>308,532,000</b>

The purchase consideration for the Acquisition of KTISB of RM51.9 million was arrived at on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of KTISB as at 31 December 2022 of RM51.9 million.

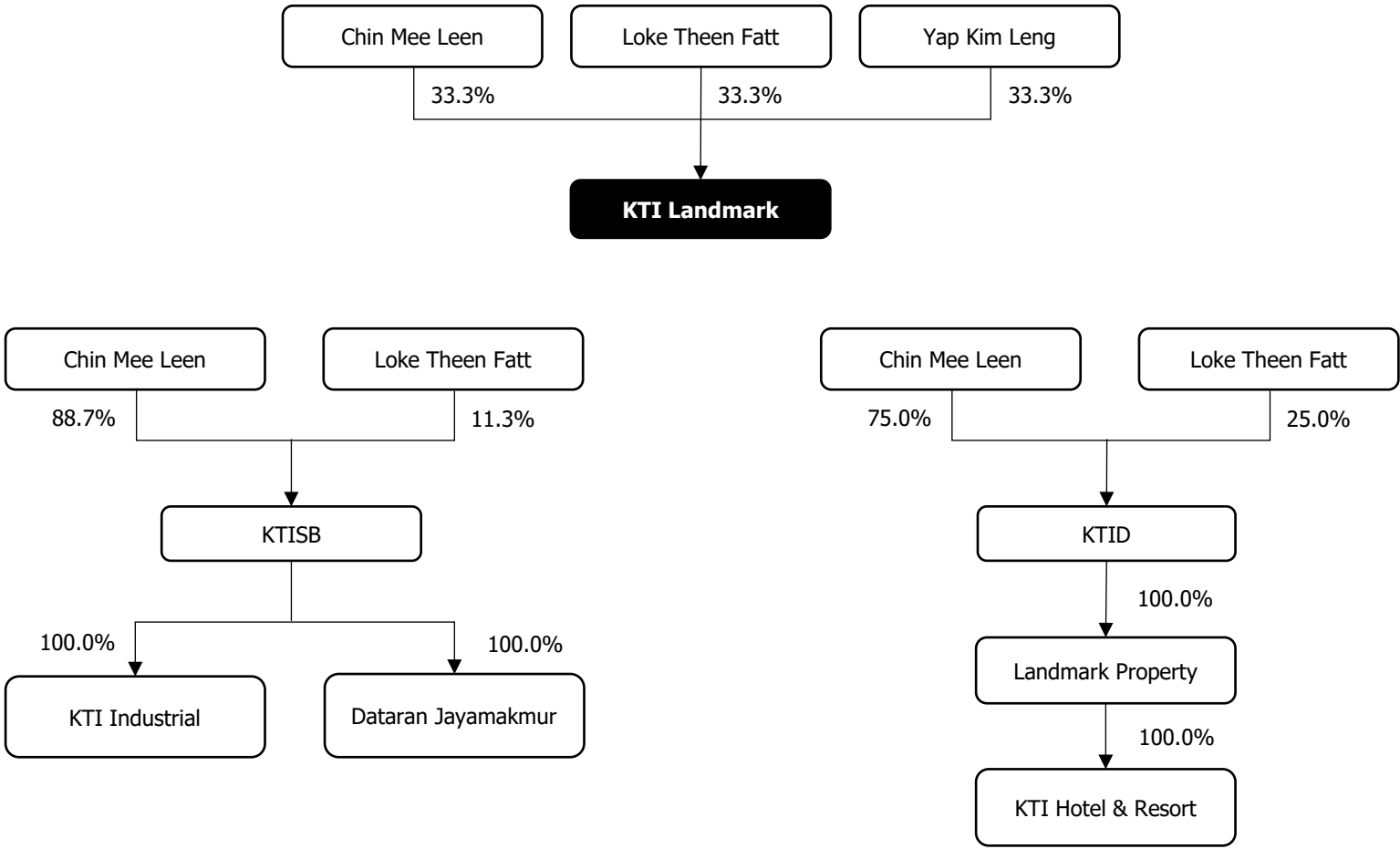
The Acquisitions were completed on [•]. Thereafter, KTID and KTISB became our wholly-owned direct subsidiaries. Accordingly, KTI Industrial and Dataran Jayamakmur became our wholly-owned subsidiaries through KTISB; Landmark Property became our wholly-owned subsidiary through KTID; and KTI Hotel & Resort became our wholly-owned subsidiary through Landmark Property.

The new Shares issued under the Acquisitions rank equally in all respects with our existing Shares including voting rights and will be entitled to all rights and dividends and/or other distributions, the entitlement date of which is subsequent to the date of issuance of the new Shares.

**6. INFORMATION ON OUR GROUP (Cont'd)**

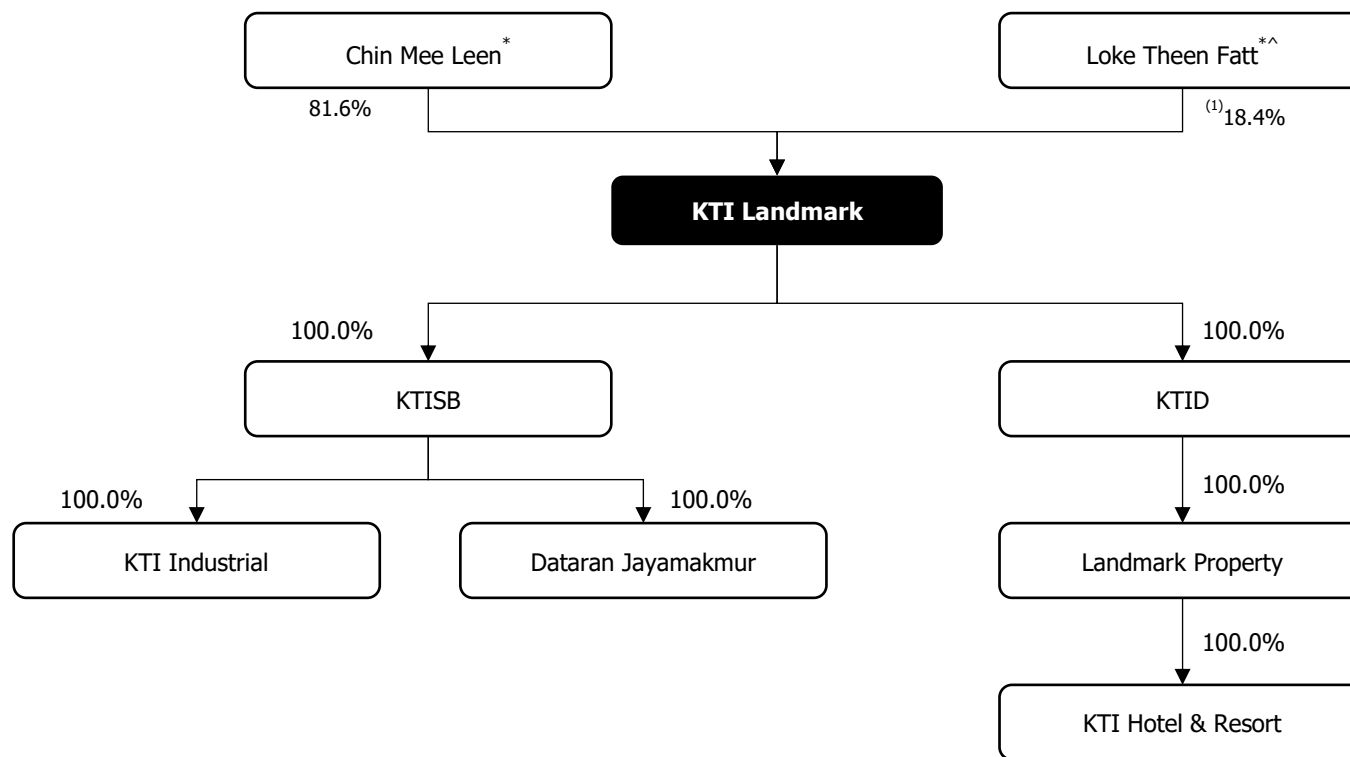
**6.3 GROUP STRUCTURE**

**Before Acquisitions**



**6. INFORMATION ON OUR GROUP (Cont'd)**

**After Acquisitions but before our IPO**



**Notes:**

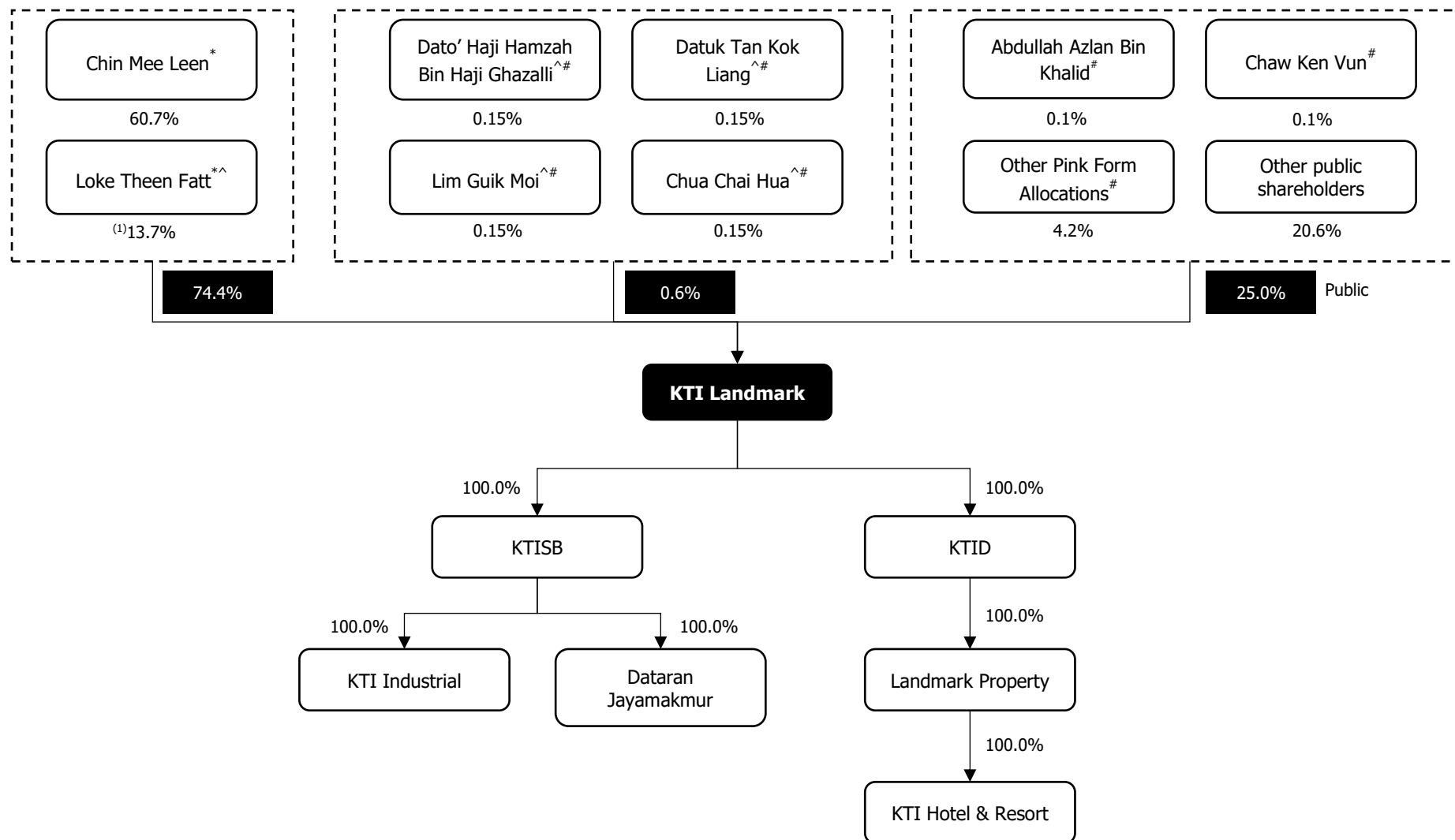
\* Relates to our Promoters.

^ Relates to our Directors.

(1) Including 1 Share which was transferred from Yap Kim Leng, a nominee shareholder, to Loke Theen Fatt.

**6. INFORMATION ON OUR GROUP (Cont'd)**

**After Acquisitions and our IPO**



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**6. INFORMATION ON OUR GROUP (Cont'd)**

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**Notes:**

- \* Relates to our Promoters.
- ^ Relates to our Directors.
- # Assuming full subscription of Pink Form Allocations by all our Eligible Persons.
- (1) Including 1 Share which was transferred from Yap Kim Leng, a nominee shareholder, to Loke Theen Fatt.

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## 6. INFORMATION ON OUR GROUP (Cont'd)

### 6.4 SUBSIDIARIES AND ASSOCIATED COMPANIES

Details of our subsidiaries as at LPD are summarised as follows:

Company / Registration Number	Date / Place of incorporation	Issued share capital RM'000	Effective equity interest %	Principal activities / Principal place of business
<b>Held by KTI Landmark</b>				
KTID / 199401000292 (285970-K)	5 January 1994 / Malaysia	1,000	100.0	Property development, carrying out construction work under contract and investment holding / Malaysia
KTISB / 198401013371 (125931-U)	27 August 1984 / Malaysia	1,000	100.0	Property development, carrying out construction work under contract, manufacturing of IBS and investment holding / Malaysia
<b>Held through KTID</b>				
Landmark Property / 198101012707 (78837-V)	7 December 1981 / Malaysia	2,000	100.0	Property development / Malaysia
<b>Held through KTISB</b>				
Dataran Jayamakmur / 200201007977 (575640-T)	1 April 2002 / Malaysia	1,000	100.0	Property development / Malaysia
KTI Industrial / 199301017923 (272661-P)	9 August 1993 / Malaysia	500	100.0	Dormant. Intended for property development / Malaysia
<b>Held through Landmark Property</b>				
KTI Hotel & Resort / 201601023531 (1194470-V)	14 July 2016 / Malaysia	20,000	100.0	Property investment and hotel owner / operator / Malaysia

Details of the share capital of our subsidiaries are set out in Section 16.2.

As at LPD, we do not have any associated company.

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## **6. INFORMATION ON OUR GROUP (Cont'd)**

### **6.5 MATERIAL CONTRACTS**

Save as disclosed below, there were no contracts which are or may be material (not being contracts entered into in the ordinary course of business) entered into by our Group for FYE 2020 to 2022 and up to LPD:

- (a) a conditional share sale agreement between our Company, Loke Theen Fatt and Chin Mee Leen dated 19 June 2023 to acquire the entire equity interest in KTID, comprising 1,000,000 ordinary shares for a purchase consideration of RM55.7 million which was satisfied by the issuance and allotment of 331,467,997 new Shares to Loke Theen Fatt and Chin Mee Leen at an issue price of RM0.1681 each, and completed on [•];
- (b) a conditional share sale agreement between our Company, Loke Theen Fatt and Chin Mee Leen dated 19 June 2023 to acquire the entire equity interest in KTISB, comprising 1,000,000 ordinary shares for a purchase consideration of RM51.9 million which was satisfied by the issuance and allotment of 308,532,000 new Shares to Loke Theen Fatt and Chin Mee Leen at an issue price of RM0.1681 each, and completed on [•];
- (c) a sale and purchase agreement dated 9 January 2023 entered into between KTID (as purchaser) and Millennium Amber Sdn Bhd (as vendor) (supplemented by an agreement dated 9 January 2023) for the acquisition of Alamesra Lands for a cash consideration of RM74.0 million, which is pending completion;
- (d) Hotel management agreement entered into between KTISB and MHG dated 12 June 2018 for KTISB to engage MHG to operate and manage Avani Luyang @ The Logg under the brand name of "AVANI" for a term of 20 years from the opening date i.e. the date on which Avani Luyang @ The Logg is fully opened to the public pursuant to the terms and conditions in the agreement; and
- (e) Underwriting agreement dated [•] between our Company and M&A Securities for the underwriting of 80,000,000 Issue Shares for an underwriting commission of [•]% of the IPO Price multiplied by the number of Issue Shares underwritten.

Additionally, our Group is not materially dependent on any commercial or financial contracts for our business and profitability as at LPD.

### **6.6 PUBLIC TAKE-OVERS**

During the last financial year and the current financial year up to LPD, there were:

- (a) No public take-over offers by third parties in respect of our Shares; and
- (b) No public take-over offers by our Company in respect of other companies' shares.

### **6.7 PREVIOUS MATERIAL CORPORATE PROPOSAL**

On 14 February 2004, General Soil Engineering Holdings Berhad ("**Gensoil**") had submitted an application to the SC in relation its proposed restructuring scheme via a proposed reverse take-over by a newly incorporated company ("**NewCo**"), which involved the proposed acquisitions of KTISB and Dataran Jayamakmur ("**Proposed Restructuring Scheme**").



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**6. INFORMATION ON OUR GROUP (Cont'd)**

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Gensoil was an investment and property holding company listed on the then Second Board of Kuala Lumpur Stock Exchange ("KLSE") (presently known as ACE Market), which was subsequently de-listed on 27 April 2005. The company, through its subsidiaries, operated in property development, construction works, and foundation engineering services. It was intended that upon completion of the Proposed Restructuring Scheme, Gensoil, KTISB and Dataran Jayamakmur would be wholly-owned subsidiaries of the NewCo. Subsequently, the listing status of Gensoil on the Second Board of KLSE would be transferred to the NewCo.

The Proposed Restructuring Scheme was rejected by the SC vide its letter dated 26 October 2004.

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## 6. INFORMATION ON OUR GROUP (Cont'd)

### 6.8 MAJOR APPROVALS AND LICENCES

As at LPD, there are no other major approvals, major licences and permits issued to our Group in order for us to carry out our operations other than those disclosed below:

<b>No.</b>	<b>Licencee / Issuing authority / Registration no.</b>	<b>Date of issue / Date of expiry</b>	<b>Nature of approval / Licences</b>			<b>Equity and/or major conditions imposed</b>	<b>Compliance status</b>
(a)	Landmark Property / CIDB / Certification No.: 0120170208-SB184714	29 March 2022 / 10 April 2025	Certificate of registration in respect of Grade 7 for categories of:			(i) The certificate is non-transferable;	Complied
			<b>Grade</b>	<b>Category</b>	<b>Specialist</b>	(ii) The contractor shall not participate in any tender or perform any construction work after the expiry of this certificate until it is renewed;	Noted
			G7	B	B04		
			G7	CE	CE21		
			G7	ME	M15		
			<b>Category</b>	<b>Description</b>		(iii) The contractor shall not undertake to build any construction project that exceeds the value of construction work specified under the registered grade and shall be prohibited from carrying out any construction project outside its registration category;	Complied
			B	Construction building			
			CE	Civil engineering construction			
			ME	Mechanical and electrical		(iv) The contractor shall submit the information regarding any construction work or contract within a period of 14 days after being awarded or before work has begun whichever is earlier;	Complied

**6. INFORMATION ON OUR GROUP (Cont'd)**

No.	Licencee / Issuing authority / Registration no.	Date of issue / Date of expiry	Nature of approval / Licences		Equity and/or major conditions imposed	Compliance status	
			Specialist	Description			
			B04	Building construction works – construction works of any building and plant	(v) The contractor shall apply for renewal registration within 60 days prior to the expiry date specified in the certificate; and	Noted	
			CE21	Civil engineering construction – construction works, maintenance and repair of any civil engineering construction	(vi) The contractor shall appoint skilled construction workers and site supervisors accredited and certified by CIDB.	Complied	
			M15	Miscellaneous mechanical			
			Tender value / construction work value (RM): Unlimited				
(b)	KTISB / CIDB / Certification No.: 1990310-SB051266	1 February 2022 / 30 January 2025	Certificate of registration in respect of Grade 7 for categories of:		(i) The certificate is non- transferable;	Complied	
			<b>Grade</b>	<b>Category</b>	<b>Specialist</b>	(ii) The contractor shall not participate in any tender or perform any construction work after the expiry of this certificate until it is renewed;	Noted
			G7	B	B01 B04		
			G7	CE	CE01 CE21		
			G7	ME	M15		
			<b>Category</b>	<b>Description</b>		(iii) The contractor shall not undertake to build any construction project that exceeds the value of construction work specified under the registered grade and shall be prohibited from carrying out any construction project outside its registration category;	Complied
			B	Construction building			
			CE	Civil engineering construction			
			ME	Mechanical and electrical			

**6. INFORMATION ON OUR GROUP (Cont'd)**

No.	Licencee / Issuing authority / Registration no.	Date of issue / Date of expiry	Nature of approval / Licences		Equity and/or major conditions imposed	Compliance status
			Specialist	Description		
			B01	IBS: Prefab concrete system	(iv) The contractor shall submit the information regarding any construction work or contract within a period of 14 days after being awarded or before work has begun whichever is earlier;	Complied
			B04	Building construction works – construction works of any building and plant		
			CE01	Road & pavement construction	(v) The contractor shall apply for renewal registration within 60 days prior to the expiry date specified in the certificate; and	Noted
			CE21	Civil engineering construction – construction works, maintenance and repair of any civil engineering construction		
			M15	Miscellaneous mechanical	(vi) The contractor shall appoint skilled construction workers and site supervisors accredited and certified by CIDB.	Complied
			Tender value / construction work value (RM): Unlimited			
(c)	KTISB / CIDB / Certification No.: 1990310-SB051266	8 February 2022 / 30 January 2025	Certificate of Government Procurement in respect of G7 for categories of:		(i) This certificate shall not be used as a license for commencing or undertaking any construction works. This certificate can only be used for government procurement works or other government agency procurement works;	Complied
			<b>Grade</b>	<b>Category</b>		
			G7	B		
			G7	CE		
			G7	ME		
					(ii) This certificate should be provided together with Certificate of registration when the company tenders for government contracts;	Complied

**6. INFORMATION ON OUR GROUP (Cont'd)**

No.	Licencee / Issuing authority / Registration no.	Date of issue / Date of expiry	Nature of approval / Licences		Equity and/or major conditions imposed	Compliance status
			Category	Description		
			B	Construction building	(iii) This certificate should be renewed together with the Certificate of registration issued by CIDB;	Noted
			CE	Civil engineering construction		
			ME	Mechanical and electrical		
					(iv) The company or certificate holder shall not lend, lease, transfer, allow or cause this certificate to be used by other persons not named in this certificate for the purpose of obtaining government procurement works; and	Complied
					(v) The contractor shall not be involved in tender or any construction works after the expiry of this certificate and until such time this certificate has been renewed.	Noted
(d)	KTISB / MITI / A024640	7 October 2022 <sup>(1)</sup> / Valid until revoked	Manufacturing licence for the manufacturing of IBS components (wall, slab, beam, column and staircase)		(i) The sale of the shares in KTISB must be notified to MITI and the MIDA;	Complied
			Licensed premise: Taman Seri Lemawang, KM 4, Jalan Tuaran – Kota Belud, 89208 Tuaran, Sabah		(ii) KTISB must train Malaysians to promote the transfer of technology and expertise at all levels of positions;	Noted
					(iii) KTISB must have Capital Investment Per Employee of at least RM140,000.00; and	Complied

**6. INFORMATION ON OUR GROUP (Cont'd)**

<b>No.</b>	<b>Licencee / Issuing authority / Registration no.</b>	<b>Date of issue / Date of expiry</b>	<b>Nature of approval / Licences</b>	<b>Equity and/or major conditions imposed</b>	<b>Compliance status</b>												
				(iv) Total full-time workforce of KTISB must comprise at least 80.0% Malaysians by 31 December 2024. Employment of foreign workers including outsourced workers is subject to prevailing policies.	Complied												
(e)	KTISB / CIDB / Certification No.: 1220901SB0815	1 September 2022 / 31 August 2023	<p>Certification for building materials which have received the standard compliance declaration ("PPS") can be used in construction projects</p> <p>Licensed premise: Taman Seri Lemawang, KM 4, Jalan Tuaran – Kota Belud, 89208 Tuaran, Sabah</p> <table border="1"> <thead> <tr> <th><b>Category</b></th> <th><b>Type / Size</b></th> <th><b>Brand</b></th> <th><b>Standard</b></th> </tr> </thead> <tbody> <tr> <td>Ready mix concrete</td> <td>Ready mix concrete</td> <td>Nil</td> <td>MS EN 206:2016, CIS 21:2018</td> </tr> <tr> <td></td> <td>Ready-mixed concrete G35NM</td> <td></td> <td></td> </tr> </tbody> </table>	<b>Category</b>	<b>Type / Size</b>	<b>Brand</b>	<b>Standard</b>	Ready mix concrete	Ready mix concrete	Nil	MS EN 206:2016, CIS 21:2018		Ready-mixed concrete G35NM			<p>(i) This certificate cannot be transferred;</p> <p>(ii) This certificate must be renewed no later than 60 days before it's expiry;</p> <p>(iii) From time to time, CIDB is entitled to impose any instruction regarding the building materials and standards registered in the PPS; and</p> <p>(iv) CIDB is entitled to, at any time carry out inspection on any party dealing with any of the building materials listed in the fourth schedule.</p>	<p>Complied</p> <p>Noted</p> <p>Noted</p> <p>Noted</p>
<b>Category</b>	<b>Type / Size</b>	<b>Brand</b>	<b>Standard</b>														
Ready mix concrete	Ready mix concrete	Nil	MS EN 206:2016, CIS 21:2018														
	Ready-mixed concrete G35NM																

**6. INFORMATION ON OUR GROUP (Cont'd)**

<b>No.</b>	<b>Licencee / Issuing authority / Registration no.</b>	<b>Date of issue / Date of expiry</b>	<b>Nature of approval / Licences</b>	<b>Equity and/or major conditions imposed</b>	<b>Compliance status</b>				
(f)	KTISB / CIDB / Report No.: PSB251022IBS9222	30 December 2022 / 30 December 2023	<p>IBS-IMPACT certificate for precast wall element pursuant to the CIDB Act</p> <p>Licensed premise: Taman Seri Lemawang, KM 4, Jalan Tuaran – Kota Belud, 89208 Tuaran, Sabah</p> <table border="1"> <thead> <tr> <th><b>Category</b></th> <th><b>Reference standard</b></th> </tr> </thead> <tbody> <tr> <td>Manufacturer</td> <td>CIS 24:2018 – BS EN 14992: 2007 + A1: 2012</td> </tr> </tbody> </table>	<b>Category</b>	<b>Reference standard</b>	Manufacturer	CIS 24:2018 – BS EN 14992: 2007 + A1: 2012	This certificate is to be renewed within 30 days prior to the expiry.	Noted
<b>Category</b>	<b>Reference standard</b>								
Manufacturer	CIS 24:2018 – BS EN 14992: 2007 + A1: 2012								
(g)	KTISB / CIDB / Report No.: PSB070223IBS01123	28 February 2023 / 28 February 2024	<p>IBS-IMPACT certificate for precast floor plates pursuant to the CIDB Act</p> <p>Licensed premise: Taman Seri Lemawang, KM 4, Jalan Tuaran – Kota Belud, 89208 Tuaran, Sabah</p> <table border="1"> <thead> <tr> <th><b>Category</b></th> <th><b>Reference standard</b></th> </tr> </thead> <tbody> <tr> <td>Manufacturer</td> <td>CIS 24:2018 – BS EN 13747: 2005 + A2: 2010</td> </tr> </tbody> </table>	<b>Category</b>	<b>Reference standard</b>	Manufacturer	CIS 24:2018 – BS EN 13747: 2005 + A2: 2010	This certificate is to be renewed within 30 days prior to the expiry.	Noted
<b>Category</b>	<b>Reference standard</b>								
Manufacturer	CIS 24:2018 – BS EN 13747: 2005 + A2: 2010								

**6. INFORMATION ON OUR GROUP (Cont'd)**

<b>No.</b>	<b>Licencee / Issuing authority / Registration no.</b>	<b>Date of issue / Date of expiry</b>	<b>Nature of approval / Licences</b>	<b>Equity and/or major conditions imposed</b>	<b>Compliance status</b>
(h)	KTISB / CIDB / Report No.: PSB070223IBS0112 3	28 February 2023 / 28 February 2024	IBS-IMPACT certificate for beam pursuant to the CIDB Act  Licensed premise: Taman Seri Lemawang, KM 4, Jalan Tuaran – Kota Belud, 89208 Tuaran, Sabah  <b>Category</b> <b>Reference standard</b> Manufacturer    CIS 24:2018 – BS EN 13225: 2013	This certificate is to be renewed within 30 days prior to the expiry.	Noted
(i)	KTISB / CIDB / Report No.: PSB110323IBS0272 3	30 March 2023 / 30 March 2024	IBS-IMPACT certificate for precast concrete stairs pursuant to the CIDB Act  Licensed premise: Taman Seri Lemawang, KM 4, Jalan Tuaran – Kota Belud, 89208 Tuaran, Sabah  <b>Category</b> <b>Reference standard</b> Manufacturer    CIS 24:2018 – BS EN 14843: 2007	This certificate is to be renewed within 30 days prior to the expiry.	Noted
(j)	KTISB / Department of Labour Sabah / JTK.H.KK.600-4/1/45409/012784	14 July 2022 / 17 July 2023 <sup>(2)</sup>	Licence to employ non-resident employee (39 Indonesians and 9 Philippines employees)	(i) This license is non-transferable and is only valid for the employment of a specified number of non-resident employees; and  (ii) Application for the renewal of this licence must be submitted at least two months before the license period expires.	Complied  Complied



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**6. INFORMATION ON OUR GROUP (Cont'd)**

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**Notes:**

- (1) The manufacturing licence is valid retrospectively from 28 July 2022.
- (2) Such licence has been renewed with a validity period of 1 year effective from 14 July 2023 to 13 July 2024.

From 2012 to 2019, the IBS manufacturing operations in our casting yard in Kinarut were carried out without the relevant licences, the past non-compliances of which are set out in Section 6.11(a) and (b). However, as our casting yard in Kinarut is not in operations as at LPD, our Group will obtain the relevant license/ approval/ permits prior to the commencement of operations in the casting yard in Kinarut.

As at LPD, both KTISB and Landmark Property have obtained the Grade 7 certificate of registration issued by CIDB respectively as they are the only subsidiaries in our Group which carry out construction works, which allows Landmark Property and KTISB to participate in tenders for construction works of unlimited value.

As at LPD, our Group has obtained all the relevant approvals, licences and permits for our business operations.

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## 6. INFORMATION ON OUR GROUP *(Cont'd)*

### 6.9 TRADEMARKS

As at LPD, our Group does not have any trademarks.

However, as at LPD, our Group is in the midst of applying the following trademarks:

<b>Applicant</b>	<b>Trademarks</b>	<b>Date of application / Trademark No.</b>	<b>Class / Description</b>	<b>Place of registration</b>	<b>Status</b>	<b>Expected timeframe to register the trademark</b>
KTI Landmark		17 January 2023 / TM2023001302	37 <sup>(1)</sup>	Malaysia	Under substantive examination	Approximately 8 to 12 months from the date of application
KTI Landmark		17 January 2023 / TM2023001306	43 <sup>(2)</sup>	Malaysia	Under substantive examination	Approximately 8 to 12 months from the date of application
KTI Landmark		17 January 2023 / TM2023001307	36 <sup>(3)</sup>	Malaysia	Under substantive examination	Approximately 8 to 12 months from the date of application

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**6. INFORMATION ON OUR GROUP (Cont'd)**

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**Notes:**

- (1) Building and construction services; building construction and repair; construction and maintenance services relating to civil engineering; construction and renovation of buildings; construction and renovation of buildings and other structures; construction and repair of buildings; construction and repair of buildings and other structures; construction and repair of houses; construction and repair of residential buildings and houses; construction management (supervision); construction of building interiors; construction of buildings; construction of buildings and other structures; construction of commercial buildings; construction of office buildings; construction of residential and commercial buildings; construction of residential buildings.
- (2) Booking of hotel accommodation; café and cafeteria services; cafe, cafeteria and restaurant services; cocktail lounges; coffee and juice bar services; coffee house services; food kiosk services being services for providing food and drink; food preparation; hotel accommodation reservation services; hotel accommodation services; hotel and restaurant services; providing conference facilities; providing conference, exhibition and meeting facilities; providing convention facilities; providing facilities for conferences, exhibitions and meetings; providing food and drink.
- (3) Property investment and management services; property management; property management services; providing advice relating to real estate investment; providing advice relating to the arranging of mortgages; providing information on real estate; providing real estate listings and real estate information via a website; providing real estate listings and real estate information via a website; providing real estate listings and real estate information via the internet; provision of information relating to real estate; real estate and housing management; real estate management services; real estate services relating to the purchase of real estate; real estate services relating to the sale of real estate; real - estate management; rental of buildings.

Although the registration of the above trademarks ("**New Trademarks**") have yet to be effected, our Group's business and profitability are not dependent on the New Trademarks. Further, our Group has established a strong presence in the industry and as such, we will not be affected in the event of non-approval of registrations. In addition, our Group may still be able to initiate a passing off action against any person using a mark which is similar or identical to the New Trademarks pursuant to common law principles.

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## 6. INFORMATION ON OUR GROUP (Cont'd)

### 6.10 PROPERTY, PLANT AND EQUIPMENT

#### 6.10.1 Properties owned by our Group

The properties mentioned below are from the remaining units from our completed projects, ongoing projects as well as land held for development. Save as disclosed below, the completed units are currently vacant. Our strategy for investment properties is to dispose them in the secondary market or to deploy them for our own use such as for staff accommodation, if suitable. The timing for the disposal of these properties will depend on the market value of the investment properties, impact of real properties gain tax and whether we are able to identify suitable purchasers for these properties. Pending the disposal of such properties, we may rent those properties out to suitable tenants.

The summary of the material properties owned by our Group as at LPD are set out below:

No.	Postal address / Title No.	Description of property / Existing use / Expiry of lease (if any) / Category of land use (if any)	Beneficial Owner / Registered Owner	Land area / Built-up area sq ft	Date of purchase / Date of CCC	Encumbrance	Audited NBV as at 31 December 2022 RM'000
(a)	Lot 201, Taman Lavender Off Jalan Lintas 88300 Kota Kinabalu Sabah  Title no.: CL015654743	A detached house plot forming part of 4 adjoining detached house plots / Vacant / Leasehold of 99 years expiring on 31 December 2103 (Approximately 80¾ years as at LPD) / For the purpose of erecting thereon for use as such one dwelling house	KTID	22,390 / Not applicable	Not applicable (1)(9) / Not applicable (10)	Nil	596
(b)	Lot 202, Taman Lavender Off Jalan Lintas 88300 Kota Kinabalu Sabah  Title no.: CL015654752	A detached house plot forming part of 4 adjoining detached house plots / Vacant / Leasehold of 99 years expiring on 31 December 2103 (Approximately 80¾ years as at LPD) / For the purpose of erecting thereon for use as such one dwelling house	KTID	9,963 / Not applicable	Not applicable (1)(9) / Not applicable (10)	Nil	265

**6. INFORMATION ON OUR GROUP (Cont'd)**

<b>No.</b>	<b>Postal address / Title No.</b>	<b>Description of property / Existing use / Expiry of lease (if any) / Category of land use (if any)</b>	<b>Beneficial Owner / Registered Owner</b>	<b>Land area / Built-up area sq ft</b>	<b>Date of purchase / Date of CCC</b>	<b>Encumbrance</b>	<b>Audited NBV as at 31 December 2022 RM'000</b>
(c)	Lot 203, Taman Lavender Off Jalan Lintas 88300 Kota Kinabalu Sabah  Title no.: CL015654761	A detached house plot forming part of 4 adjoining detached house plots / Vacant / Leasehold of 99 years expiring on 31 December 2103 (Approximately 80¾ years as at LPD) / For the purpose of erecting thereon for use as such one dwelling house	KTID	19,985 / Not applicable	Not applicable <sup>(1)(9)</sup> / Not applicable <sup>(10)</sup>	Nil	531
(d)	Lot 204, Taman Lavender Off Jalan Lintas 88300 Kota Kinabalu Sabah  Title no.: CL015654770	A detached house plot forming part of 4 adjoining detached house plots/ Vacant / Leasehold of 99 years expiring on 31 December 2103 (Approximately 80¾ years as at LPD) / For the purpose of erecting thereon for use as such one dwelling house	KTID	9,599 / Not applicable	Not applicable <sup>(1)(9)</sup> / Not applicable <sup>(10)</sup>	Nil	255
(e)	Lot 223 (Building No. 32A) Lorong Nelly 9/2 Taman Nelly 9 (Sub-Phase 1) Kampung Nountun Inanam 88844 Kota Kinabalu Sabah  Title no.: CL015682130 <sup>(1)</sup>	Double-storey office / showroom with double volume storage space / Storage of documents / Grant in perpetuity / For the purpose of erecting thereon for use as such one 2-storey showroom	KTID / Edward S Jaip <sup>(1)</sup>	65,787 / 48,583	Nil <sup>(9)</sup> / 7 March 2018	Nil	1,187

**6. INFORMATION ON OUR GROUP (Cont'd)**

<b>No.</b>	<b>Postal address / Title No.</b>	<b>Description of property / Existing use / Expiry of lease (if any) / Category of land use (if any)</b>	<b>Beneficial Owner / Registered Owner</b>	<b>Land area / Built-up area sq ft</b>	<b>Date of purchase / Date of CCC</b>	<b>Encumbrance</b>	<b>Audited NBV as at 31 December 2022 RM'000</b>
(f)	Lot No. 69 Lorong Buah Pala 3 Wisma LTF Taman Nelly 88450 Kota Kinabalu Sabah  Title no.: CL015479204	1 <sup>st</sup> and 2 <sup>nd</sup> floor of a 3-storey corner shopoffice / Vacant / Leasehold of 999 years expiring on 16 June 2925 (Approximately 902¼ years as at LPD) / For the purpose of erecting thereon for use as such one 3-storey shop house	KTISB, Chong Nyuk Oi <sup>(2)</sup> , Kong En Leong <sup>(3)</sup> , Kong En Phin <sup>(3)</sup>	1,587 / 3,174	2 June 2003 / March 1987	Charged to United Overseas Bank (Malaysia) Berhad	122
(g)	Lot No. 68 Lorong Buah Pala 3 Wisma LTF, Taman Nelly 88450 Kota Kinabalu Sabah  Title no.: CL015479197	A corner 3-storey shopoffice / Vacant / Leasehold of 999 years expiring on 16 June 2925 (Approximately 902¼ years as at LPD) / For the purpose of erecting thereon for use as such one 3-storey shop house	KTISB	1,174 / 3,702	16 December 1997 / March 1987	Charged to United Overseas Bank (Malaysia) Bhd	176
(h)	Lot 222, Taman Nelly 9 Phase 4 Shoplot Lorong Nelly Plaza Jalan Nountun, Kolombong 88444 Kota Kinabalu Sabah  Title no.: CL015682130	A corner 4-storey corporate office building / Our headquarters / Grant in perpetuity / For the purpose of erecting thereon for use as such one 4-storey shop office	Landmark Property	3,485 / 14,072	Not applicable <sup>(9)</sup> / 10 September 2012	Assigned to Bank Muamalat Malaysia Berhad <sup>(4)</sup>	1,185

**6. INFORMATION ON OUR GROUP (Cont'd)**

<b>No.</b>	<b>Postal address / Title No.</b>	<b>Description of property / Existing use / Expiry of lease (if any) / Category of land use (if any)</b>	<b>Beneficial Owner / Registered Owner</b>	<b>Land area / Built-up area sq ft</b>	<b>Date of purchase / Date of CCC</b>	<b>Encumbrance</b>	<b>Audited NBV as at 31 December 2022 RM'000</b>
(i)	D-2-26 / D-2-28 / D-2-08 / D-3-05 / D-3-12, Taman Nelly Phase 8D Jalan Nountun Kolombong 88450 Kota Kinabalu Sabah  Title no.: CL015605419 <sup>(11)</sup>	5 units of studio apartment in an establish locality / Rented out to non-related parties for residential use / Leasehold of 99 years expiring on 31 December 2101 (Approximately 78¾ years as at LPD / 4-storey medium cost walk-up flats / shop	Edward S Jaip and Landmark Property	500,940 / 1,225	Not applicable <sup>(9)</sup> / 17 May 2013	Nil	525
(j)	Along Jalan Tuaran – Kota Belud 89208 Tuaran Sabah  Title no.: CL045115919	Ongoing development of 9 phases 1A to 1I comprising 811 units of double storey terraced house known as "Taman Seri Lemawang" / Ongoing development / Leasehold of 999 years commencing from 12 February 1920 (Approximately 895 years as at LPD / Nil	KTISB <sup>(5)</sup> / LPPB	2,279,495 / Not applicable	Not applicable <sup>(9)</sup> / Not applicable <sup>(10)</sup>	Charged to Hong Leong Islamic Bank Berhad	6,921
(k)		Ongoing development of 5 phases comprising 800 units in 10 blocks of 5-storey apartment known as "Residensi Seri Akasia" / Ongoing development / Leasehold of 999 years commencing from 12 February 1920 (Approximately 895 years as at LPD / Nil	KTISB <sup>(5)</sup> / LPPB	874,249 / Not applicable	Not applicable <sup>(9)</sup> / Not applicable <sup>(10)</sup>	Charged to Hong Leong Islamic Bank Berhad	9,402

**6. INFORMATION ON OUR GROUP (Cont'd)**

No.	Postal address / Title No.	Description of property / Existing use / Expiry of lease (if any) / Category of land use (if any)	Beneficial Owner / Registered Owner	Land area / Built-up area  sq ft	Date of purchase / Date of CCC	Encumbrance	Audited NBV as at 31 December 2022  RM'000
(l)		Vacant land for future and proposed developments along Jalan Tuaran, Sabah / Vacant / Leasehold of 999 years commencing from 12 February 1920 (Approximately 895 years as at LPD / Nil	KTISB <sup>(5)</sup> / LPPB	3,566,257 / Not applicable	Not applicable <sup>(9)</sup> / Not applicable <sup>(10)</sup>	Charged to Hong Leong Islamic Bank Berhad	3,016
(m)		A double storey detached shop lot within the commercial precinct of Taman Seri Lemawang known as "Lot 17, Phase 3A, Plaza Lemawang" / Vacant / Leasehold of 999 years commencing from 12 February 1920 (Approximately 895 years as at LPD / Nil	KTISB <sup>(5)</sup> / LPPB	5,851 / 10,247	Not applicable <sup>(9)</sup> / 19 December 2022	Charged to Hong Leong Islamic Bank Berhad	1,417
(n)	Fronting Jalan Penampang - Papar Lama Kampung Nagapas 89600 Papar Sabah  Title no.: CL025346507	Ongoing development of 107 units of 2-storey terraced houses known as Taman Bukit Alamanda / Ongoing development / Leasehold of 99 years expiring on 31 December 2088 (Approximately 66 ¼ years as at LPD / Nil	Landmark Property <sup>(6)</sup> / LPPB	1,734,123 / Not applicable	Nil <sup>(9)</sup> / Not applicable <sup>(10)</sup>	Charged to Hong Leong Islamic Bank Berhad	6,590



**6. INFORMATION ON OUR GROUP (Cont'd)**

No.	Postal address / Title No.	Description of property / Existing use / Expiry of lease (if any) / Category of land use (if any)	Beneficial Owner / Registered Owner	Land area / Built-up area  sq ft	Date of purchase / Date of CCC	Encumbrance	Audited NBV as at 31 December 2022  RM'000
(o)	Lintas Commercial Area Luyang 88300 Kota Kinabalu Sabah  Title no.: CL015721276	Ongoing mixed commercial / residential development known as The Logg comprising 1 block of 28 levels affordable homes (250 units), 2 levels of commercial lots, 9 levels of carparks cum 3 levels of offices, 1 level of basement carpark, 2 blocks of serviced suites (542 units) and 1 block of hotel suites (370 rooms) / Ongoing mixed development / Leasehold of 99 years expiring on 31 December 2115 with 92¾ years as at LPD / For the purpose of housing and commercial development	KTISB and KTI Hotel & Resort <sup>(7)</sup> / LPPB	190,357 / Not applicable	Nil <sup>(9)</sup> / Not applicable <sup>(10)</sup>	Charged to Hong Leong Bank Berhad, Sabah Development Bank Berhad and caveat by CIMB Bank Berhad	107,065
(p)	Off Jalan Airport 90000 Sandakan Sabah  Title no.: CL075428027	A land parcel proposed for a landed housing scheme for 310 units of double-storey terraced houses / Proposed development / Leasehold of 99 years expiring on 31 December 2037 (Approximately 14¾ years as at LPD / For the purpose of erecting thereon for use as such one dwelling house	Landmark Property <sup>(8)</sup> / LPPB	876,427 / Not applicable	Nil <sup>(9)</sup> / Not applicable <sup>(10)</sup>	Nil	1,560
<b>Total</b>							<b>140,813</b>

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## 6. INFORMATION ON OUR GROUP *(Cont'd)*

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### Notes:

- (1) The draft title has been issued and registered under to Edward S Jaip's name, the original registered land owner and a former staff of our Group, subsequent to the surrender of the original master title deeds of Taman Nelly 9 for amalgamation, conversion and subdivision. The master title deeds of such properties were held under native titles prior to 2009, which cannot be registered in the name of company prior to conversion into country leases. The Lands and Survey Department of Sabah had on 5 August 2009 issued its offer for conversion of the native title into country leases and the premium chargeable for such conversion was fully settled by our Group on 30 November 2009.

The process of registering the draft title to KTID is pending the Lands and Surveys Department of Sabah's approval for the extension of the time period for fulfilment of a land covenant which typically takes 6 to 8 months from the date of application. Such application is procedural in nature and will normally be granted subject to payment of premium and enhanced rent by KTID, and it is expected that the transfer of the registered title to KTID will be completed within 3 to 6 months from such approval being obtained.

For avoidance of doubt, the abovementioned process is legally valid.

- (2) On 4 July 2001, 1/6 portion of the land each was transferred to Chong Nyuk Oi and Kong Hien Chong (now deceased) (both of whom are non-related parties to our Group) by the previous owner, Loke Theen Fatt Realty Sdn Bhd.
- (3) On 1 June 2007, 1/6 portion of the land under Kong Hien Chong's estate was transferred to Kong En Leong and Kong En Phin, both of whom are non-related parties to our Group, in equal portions.
- (4) Although there are no charges endorsed on the land title, this land is assigned to Bank Muamalat Malaysia Berhad by way of security vide a deed of assignment dated 6 January 2016.
- (5) Pursuant to the agreement between LPPB and KTISB dated 21 December 2016 to develop a mixed development, KTISB is the beneficial owner of the land.
- (6) Pursuant to the agreement between LPPB and KTISB dated 21 December 2016 to develop Taman Bukit Alamanda and the deed of novation cum assignment between KTISB and Landmark Property dated 16 January 2020 to novate all its rights, benefits, interest and obligations pursuant to the agreement, Landmark Property is the beneficial owner of the land.

## 6. INFORMATION ON OUR GROUP (Cont'd)

- (7) Pursuant to the agreement between LPPB and KTISB dated 22 April 2015 to develop The Logg and the trust deed between LPPB and KTISB dated 15 March 2019, KTISB has 60.0% beneficial ownership of the land. The beneficial ownership of a portion of the land (in respect of the hotel suite only) was subsequently transferred to KTI Hotel & Resort by way of a sale and purchase agreement dated 6 December 2021.
- (8) Pursuant to the agreement between LPPB and Landmark Property dated 7 January 2019 to develop the proposed development, Landmark Property is the beneficial owner of the land.
- (9) Date of purchase is not available / not applicable for properties our Group obtained as entitlement to the design and build contractor or property developer in a development project.
- (10) Date of CCC is not available / not applicable for properties which are vacant lands or ongoing developments.
- (11) The native title was approved to be converted to a country lease bearing title no. CL015605419 and was registered as a country lease on 22 June 2009.

The properties owned by our Group are not in breach of any land use conditions and/or non-compliance with current requirements, land rules or building regulations / by-laws, which will have material adverse impact on our operations as at LPD.

### 6.10.2 Properties rented by our Group

The summary of the material properties rented by our Group as at LPD are set out below:

No.	Address	Landlord / Tenant	Description / Existing use	Land area / Built-up area sq ft	Period of tenancy / Rental per annum
(a)	Lot 221, Taman Nelly 9, Phase 4 Shoplot Jalan Nountun, Kolombong 88844 Kota Kinabalu Sabah	Chin Mee Leen <sup>(1)</sup> / Landmark Property	Ground floor and first floor of a 2- storey commercial shop lot / Our headquarters	1,560 / 2,500	1 January 2023 to 31 December 2023 / RM48,000
(b)	Lot 220, Taman Nelly 9, Phase 4 Shoplot Jalan Nountun, Kolombong 88844 Kota Kinabalu Sabah	Chin Soo Wah <sup>(2)</sup> / KTISB	Ground floor of a 2-storey commercial shop lot / Our headquarters	1,243 / 1,250	1 August 2022 to 31 July 2027 / RM36,000

## 6. INFORMATION ON OUR GROUP (Cont'd)

### Notes:

- (1) Chin Mee Leen is our Promoter and substantial shareholder. As at LPD, she holds 522,369,500 shares, representing 81.6% equity interest in our Company. As such, the rental of this property is deemed a related party transaction. Our Audit and Risk Management Committee has reviewed the above related party transaction and are of the view that the transaction is fair, reasonable and on normal commercial terms and not detrimental to the interest of the non-interested shareholders of our Group and is in the best interest to our Group. Please refer to Section 10.1 for further details on such related party transaction.
- (2) Chin Soo Wah is the brother of Chin Mee Leen, who is our Promoter and substantial shareholder. As such, the rental of this property is deemed a related party transaction. Our Audit and Risk Management Committee has have reviewed the above related party transaction and are of the view that the transaction is fair, reasonable and on normal commercial terms and not detrimental to the interest of the non-interested shareholders of our Group and is in the best interest to our Group. Please refer to Section 10.1 for further details on such related party transaction.

Apart from the above rented properties, our Group is occupying the following property pursuant to a temporary occupation licence issued by the Sabah Land and Survey Department as at LPD:

No.	Address	Issuing authority / Licensee	Description / Existing use	Land area / Built-up area sq ft	Licence validity / Rental per annum
(a)	A portion of state land measuring an area of 6.07 hectares located at Kinarut, District of Papar as delineated in the survey plan No. P.02128793 annexed in the Temporary Occupation Licence	Sabah Land & Survey Department / KTISB	Vacant land / Nil	653,369 / Not applicable	7 July 2021 to 6 July 2024 / Not applicable <sup>(1)</sup>

### Note:

- (1) The premium amounting to approximately RM0.1 million was paid to the Sabah Land & Survey Department on 29 September 2021 for the issuance of the temporary occupation licence to KTISB in respect of this parcel of land.

The properties rented by our Group are not in breach of any other land use conditions and/or are in non-compliance with current statutory requirements, land rules or building regulations / by-laws, which will have material adverse impact on our operations as at LPD.

## 6. INFORMATION ON OUR GROUP (Cont'd)

### 6.10.3 Material machinery

Details of our Group's material machinery are as follows:

<b>Machinery and equipment</b>	<b>Function</b>	<b>No. of units</b>	<b>Average lifespan years</b>	<b>Age years</b>	<b>Audited NBV as at 31 December 2022 RM'000</b>
Modular wet mic concrete batching plant	Ready mix concrete production	2	12	2 to 8	575
Dahan tower crane	High rise lifting building materials	4	15	4 to 8	1,920
Gantry crane (10,000 kilogram)	Lifting wall panel, slab panel, staircase and others	5	15	8	443
Gantry crane (15,000 kilogram)	Lifting wall panel, slab panel, staircase and others	1	15	8	104
Gondola	Lifting passenger for painting and touch up of building	10	7	5	182
Passenger hoist	Passenger lift for construction	2	7	5	349
Mobile crane / rough terrain crane / crawler crane	Lifting wall panel, slab panel, staircase and others for installation	7	12	2 to 12	1,638
Compactor	Earth compaction	1	12	5	27
Shovel	Lifting sand, aggregates and earth	2	12	5 to 8	6
Concrete mixer truck	Transport of ready-mix concrete	11	7	1 to 8	531
Prime mover	Transport of wall panel, slab panel, staircase and others	2	7	8	2

**6. INFORMATION ON OUR GROUP (Cont'd)**

<b>Machinery and equipment</b>	<b>Function</b>	<b>No. of units</b>	<b>Average lifespan years</b>	<b>Age years</b>	<b>Audited NBV as at 31 December 2022 RM'000</b>
Low loader trailer	Load of wall panel, slab panel, staircase and others	6	7	8	-
Hydraulic breaker	Breaking rock boulders	2	7	5	13
Concrete pump	Pumping ready mix concrete	1	5	5	-
Self loader and trucks	Transport of building materials	3	7	5	164
Excavator	Excavation of earth	8	10	4 to 11	261
Backhoe loader	Excavate and remove of earth for drain purposes	2	7	6	16
				<b>Total</b>	<b>6,231</b>

We conduct periodic inspections and maintenance of our machinery and undertake certain repair works when necessary. Our maintenance procedures include oiling, corrosion prevention and cleaning. The machinery that we own are commonly used in the construction industry and are generally available from the local and overseas market. Machinery which is fully depreciated would have surpassed its useful life. However, although certain machineries are fully depreciated, they still can operate effectively and efficiently. If the machinery is well maintained and can operate efficiently and effectively, it will not be disposed. Fully depreciated machineries are disposed when they cannot operate effectively, or are functionally obsolete.

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**6. INFORMATION ON OUR GROUP (Cont'd)****6.10.4 Material capital expenditures and divestitures****(a) Material capital expenditures**

Save for the expenditures disclosed below, there were no other capital expenditures (including interests in other corporations) made by us for FYE 2020 to FYE 2022 and up to LPD:

Capital expenditures	At cost			1 January
	FYE 2020	FYE 2021	FYE 2022	2023 up to
	RM'000	RM'000	RM'000	LPD
				RM'000
Leasehold lands and buildings	-	2,127	-	-
Freehold land	-	-	-	-
Furniture, fittings and office equipment	75	35	139	136
Information technology equipment	44	9	253	42
Motor vehicles	3	40	128	425
Plant and machineries	838	2,923	2,033	1,177
Renovation	-	-	49	105
Lease of premises	-	-	497	-
Construction in progress	-	12,960	12,500	5,171
	<b>960</b>	<b>18,094</b>	<b>15,599</b>	<b>7,056</b>

The above capital expenditures were primarily financed by a combination of bank borrowings and internally generated funds. Our capital expenditures, particularly for building equipment and machineries are mainly driven by the construction projects awarded to us during the relevant year as well as for replacement purposes. Our primary capital expenditures are associated with the acquisition of building equipment and machineries for use in our construction projects, such as tower cranes, scaffolding, moulding, excavators and other related construction equipment and machineries required by our projects.

The purchase of motor vehicles is for day-to-day use in our project sites.

**FYE 2020**

In FYE 2020, our capital expenditures mainly comprised:

- (a) purchase of ready-mix concrete batching plant amounting to RM0.6 million and moulding amounting to RM0.3 million; and
- (b) computer and office equipment amounting to RM0.1 million.

**FYE 2021**

In FYE 2021, our capital expenditures mainly comprised:

- (a) purchase of 3 unit of cranes amounting to RM2.0 million, 4 units of mixer trucks amounting to RM0.6 million, steel bed and moulding amounting to RM0.5 million;
- (b) reclassification of land cost for Avani Luyang @ The Logg of RM2.1 million; and

**6. INFORMATION ON OUR GROUP (Cont'd)**

- (c) capitalisation of work in progress in respect of the construction of Avani Luyang @ The Logg comprising legal and professional fees for MHG of RM1.0 million and construction work-in progress of RM11.9 million.

**FYE 2022**

In FYE 2022, our capital expenditures mainly comprised:

- (a) purchase of tower crane of RM0.9 million, 2 units of mobile crane of RM0.3 million, 1 unit of excavator of RM0.1 million, 1 unit of lorry crane of RM0.1 million and scaffolding together with accessories of RM0.6 million; and
- (b) capitalisation of construction work-in-progress of Avani Luyang @ The Logg of RM12.5 million.

**(b) Material capital divestitures**

Save for the divestitures disclosed below, there were no other capital divestitures (including interests in other corporations) made by us for FYE 2020 to FYE 2022 and up to LPD:

	<b>At cost</b>			<b>1 January 2023 up to LPD</b>
	<b>FYE 2020 RM'000</b>	<b>FYE 2021 RM'000</b>	<b>FYE 2022 RM'000</b>	<b>RM'000</b>
<b>Capital divestitures</b>				
Motor vehicles	2	377	125	-
Plant and machineries	-	-	29	-
Furniture and fitting	-	-	27	-
	<b>2</b>	<b>377</b>	<b>181</b>	<b>-</b>

Over FYE 2020 to 2022, our capital divestitures are mainly for the disposal of 1 unit of motorcycle amounting to RM2,000 (FYE 2020), disposal of 1 unit of motor vehicle of amounting to RM0.4 million (FYE 2021) and disposal of 1 unit of motor vehicle amounting to RM0.1 million (FYE 2022).

The above capital divestitures were carried out in the ordinary course of business as part of our periodic review of our fixed asset register to identify and eliminate those assets which have been fully depreciated or no longer in use or obsolete or surpassed their useful lives.

As at LPD, other than the proposed utilisation of proceeds from our Public Issue for our capital expenditure as disclosed in Section 4.9.1, we do not have any material capital expenditures and divestitures currently in progress, within or outside Malaysia.

**6.10.5 Material plans to construct, expand or improve our facilities**

Save for the proposed utilisation of proceeds from our IPO vis-à-vis our proposed capital expenditure as set out in Section 4.9.1, our Group does not have any other immediate plans to construct, expand and improve our facilities as at LPD.



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## **6. INFORMATION ON OUR GROUP (Cont'd)**

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### **6.11 RELEVANT LAWS, REGULATIONS, RULES OR REQUIREMENTS**

#### **(a) CIDB Act**

The CIDB Act and the regulations made thereunder govern the establishment of the CIDB and provide for its function in relation to the construction industry and all matters in connection therewith.

Section 25 of the CIDB Act prescribes that a contractor must register with the CIDB and hold a valid certificate of registration issued by the CIDB in order to carry out or complete, undertake to complete any construction works or hold himself as a contractor. Failure to comply with the above shall render a person liable to a fine of not less than RM10,000 but not more than RM100,000. As at LPD, our subsidiaries namely, KTISB and Landmark Property hold valid Grade 7 certificates of registration issued by CIDB (which allows them to participate in tenders for construction works of unlimited value), as they are the only subsidiaries in our Group which carry out construction works. Please refer to Section 6.8 for further details of these licences.

In addition, Section 33C of the CIDB Act provides that CIDB shall, in the manner determined by CIDB, certify the construction materials used in the construction industry and specified in the Fourth Schedule of the CIDB Act in accordance with the standards specified therein. Section 33D of the CIDB Act further provides that a person shall not deal or undertake to deal, whether directly or indirectly, with the construction materials specified in the Fourth Schedule unless the construction materials have been certified by CIDB. "Deal" is defined under the CIDB Act as "handle, use, manufacture, supply, market, transfer, sell or buy, whether wholesale or retail, import or export". Failure to comply with the above shall render a person liable to a fine of not less than RM10,000, but not more than RM500,000. This requirement came into force on 1 June 2015.

KTISB started to produce its ready-mixed concrete in Tuaran casting yard since 2020 and Kinarut casting yard (ceased operations since 2019) since 2016. For avoidance of doubt, our Group already commenced operations in Tuaran and Kinarut casting yard in 2017 and 2012 respectively for the manufacturing of IBS products. KTISB was issued with the Certificate of Standard Compliance by CIDB Sabah on 1 September 2022 for ready-mixed concrete. Prior thereto since 2020, KTISB did not hold a valid certificate of standard compliance for its ready-mixed concrete produced at Tuaran casting yard, whereby cement, aggregates, sand and water are mixed together in the required quantities to produce the ready-mixed concrete. In respect of the casting yard in Kinarut which has ceased operations since 2019, KTISB was issued with the Certificate of Standard Compliance by CIDB Sabah on 14 April 2022. Prior thereto since 2016, KTISB did not hold a valid Certificate of Standard Compliance for its ready-mixed concrete produced at the Kinarut casting yard.

KTISB was not aware of such requirement under the CIDB Act, however after being duly advised by the due diligence solicitors, KTISB obtained the Certificate of Standard Compliance for ready-mixed concrete for both its Tuaran and Kinarut casting yards.

As at LPD, KTISB has not received any notices, penalties or compounds from CIDB for producing the ready-mixed concrete at the Tuaran casting yard without the Certificate of Standard Compliance. Our Directors are of the view that that our Group's business operations and financial position would not be materially and adversely affected.

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**6. INFORMATION ON OUR GROUP (Cont'd)**

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Pursuant to Section 4(m) of the CIDB Act, the functions of CIDB shall include regulating the implementation of IBS in the construction industry. Further, Section 37 of the CIDB Act provides that CIDB may make such regulations as may be expedient or necessary, and the regulations may be made for prescribing the conditions and requirements for the implementation of IBS in the construction industry. The IBS-IMPACT program involves an application process, assessment procedure, application approval and certification before being recognized as a manufacturer of IBS components registered with CIDB.

IBS-IMPACT was launched on 17 January 2019. Any person who deals or undertakes to deal with IBS products without the IBS-IMPACT certificates shall be liable under Section 33D of the CIDB Act to a fine of not less than RM10,000 but not more than RM500,000. Prior to the launch of IBS-IMPACT, in order to conduct IBS related manufacturing, the manufacturer must have an IBS manufacturer status. As KTISB held the requisite IBS manufacturer status before the launch of IBS-IMPACT, KTISB wrote to CIDB on 28 April 2020 and 17 June 2020 in respect of the renewal of its IBS manufacturer status as the expiry date of the IBS manufacturer status was 14 July 2020. KTISB did not receive a response from CIDB in respect of their renewal application. In view of the newly launched IBS-IMPACT which replaces the previous requirement for the IBS manufacturer status, KTISB also sought to prepare all the requisite supporting documents required for such application. As part of the new application process, physical inspection by the independent conformity assessment body on KTISB's construction materials is required for KTISB to obtain the main technical document required for the consideration of the Certificate of Standard Compliance, which are both required to support its application for IBS-IMPACT. However, due to the various MCO imposed by the Government to curb the spread of COVID-19, inspections for such applications could not be carried out in a timely manner, thus resulting in a delay in KTISB obtaining the requisite supporting document for such application.

KTISB furnished CIDB with the preliminary supporting documents for the IBS-IMPACT application on 11 May 2022 and received an interim IBS-IMPACT on 15 June 2022 (being a temporary certificate pending the issuance of the final IBS-IMPACT certificates, which was subject to additional supporting documents to be furnished to CIDB). KTISB was subsequently issued with the IBS-IMPACT certificates for precast wall element on 30 December 2022, precast floor plates and beam on 28 February 2023 and precast concrete stairs on 30 March 2023. CIDB has acknowledged a letter by KTISB dated 21 February 2023, confirming that no actions will be taken by CIDB against KTISB for the production of IBS products without a valid IBS-IMPACT certification. Moreover, CIDB acknowledged that the implementation of the IBS-IMPACT certification is recent, and the application process has been delayed due to the MCO. As at LPD, KTISB has received the IBS-IMPACT certificates for all types of IBS products manufactured by it.

As at LPD, KTISB has not received any notices, penalties or compounds from CIDB for manufacturing the IBS components without valid IBS-IMPACT certificates. Our Directors are of the view that that our Group's business operations and financial position would not be materially and adversely affected.

**(b) Industrial Coordination Act 1975 ("ICA 1975")**

The ICA 1975 provides for the co-ordination and orderly development of manufacturing activities in Malaysia, for the establishment of an Industrial Advisory Council and for other matters connected therewith or incidental thereto.

The ICA 1975 requires a person engaging in any manufacturing activity with the shareholders' funds of RM2.5 million and above or employing 75 or more full-time paid employees to obtain a manufacturing licence.

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**6. INFORMATION ON OUR GROUP (Cont'd)**

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KTISB manufactures IBS products namely wall, slab, beam, column and staircase for its internal consumption to complement its construction activities, which supports its property development activities, at Tuaran casting yard. In this respect, this amounts to "manufacturing activity" under the ICA 1975.

Pursuant to Section 3(1) of the ICA 1975, no person shall engage in any manufacturing activity unless he is issued a licence in respect of such manufacturing activity. KTISB did not apply for a manufacturing licence for its manufacturing activities at Tuaran casting yard even though its shareholders' funds have exceeded RM2.5 million.

Any person who fails to comply with the requirements of Section 3(1) of the ICA 1975 is guilty of an offence and is liable on conviction to a fine not exceeding RM2,000 or to a term of imprisonment not exceeding 6 months and to a further fine not exceeding RM1,000 for every day during which such default continues.

Section 19 of the ICA 1975 provides that where an offence under the ICA 1975 or any rule made thereunder has been committed by a person or a manufacturer being a company, partnership or body of persons, any person who at the time of the commission of the offence was a director, manager or other officer serving in a managerial capacity or was a partner of the company, partnership or body of persons or purported to act in any such capacity shall be deemed to be guilty of that offence unless he proves that the offence was committed without his knowledge, consent and connivance and that he had exercised all necessary diligence to prevent the commission of the offence as he ought to have exercised having regard to the nature of his functions in that capacity and all the prevailing circumstances.

KTISB manufactures the IBS products in its Tuaran yard since 2017 and previously in its Kinarut casting yard (from 2012 to 2019) for internal consumption to complement its construction services, which support its property development businesses. These IBS products are precast concrete construction components, whereby cement, aggregates, sand and water are mixed together in the required quantities to produce ready-mixed concrete. The ready-mixed concrete is then poured into the formwork, and left to harden. KTISB was not aware that such activities carried out at both casting yards amounted to "manufacturing activities" under the ICA 1975, and such activities were carried out solely for its internal consumption without supplying any of the IBS products to any external customers. However, after being duly advised by the due diligence solicitors, KTISB submitted its application for a manufacturing licence to MITI for its manufacturing operations in the Tuaran casting yard and have received a conditional letter of approval on 28 July 2022 and subsequently the manufacturing licence was issued by MITI on 7 October 2022 (valid from 28 July 2022). In respect of the Kinarut casting yard which is not in operations as at the LPD (previously the IBS manufacturing operations was carried out from 2012 to 2019), KTISB will apply for a manufacturing licence prior to commencing manufacturing operations. As at LPD, KTISB has not received any notices, penalties or compounds from MITI for operating its manufacturing activities previously in Kinarut casting yard without a valid manufacturing licence.

As at LPD, KTISB has not received any notices, penalties or compounds from MITI for operating its manufacturing activities without a valid manufacturing licence prior to the issuance of its manufacturing licence. Our Directors are of the view that the risk of being charged, convicted, penalized and/or compounded retrospectively for the abovementioned provisions of the ICA 1975 is low as MITI has issued the manufacturing licence to KTISB. Moreover, MIDA has provided written acknowledgement vide its letter dated 19 August 2022, stating that KTISB is deemed to have complied with the requirements of obtaining a manufacturing license, insofar as to all manufacturing of IBS products which have been carried out at the Tuaran casting yard up to the point of issuance of the manufacturing license. As such, it is an indication that no action will be taken against KTISB in respect of the abovementioned default.

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**6. INFORMATION ON OUR GROUP (Cont'd)**

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Moving forward, the management of KTISB will prepare a checklist and schedule of all its permits, licences and registrations including the manufacturing licence which will be put under the purview of Wilson Loke Choon Syn, our Executive Director for monitoring purposes and will be reported periodically to the Audit and Risk Management Committee. In addition, alerts for renewal will also be set in our digital device calendar to remind our management of any requisite renewals in advance.

**(c) Local Government Ordinance 1961 ("LGO 1961"), Trades Licensing Ordinance 1949 of Sabah and the by-laws of the respective local councils and authorities**

Under the LGO 1961, the relevant local authority may exercise and perform within such area all or any powers and duties conferred on them under the LGO 1961 or by any by-laws, rules or regulations passed pursuant to the LGO 1961. The powers include the issuance of licences and the imposition of any conditions and restrictions (if any) on the licences as they deem fit.

Pursuant to the Trades Licensing Ordinance 1948, a trading license shall be issued by the administrative officer or his assistant in charge of the district in which the premises to be licensed are situated, or if the business is not carried on in definite premises, in which the person carrying on the business usually resides or has his principal place of business or first lands in Sabah. Any person who contravenes the above shall be liable for each offence to a fine of four times the amount of the licence fee and to a further fine of RM10 for each day or part of a day subsequent to a conviction during which the contravention continues.

Under the respective by-laws of the Sabah local councils and authorities, no person shall exhibit or cause to be exhibited any advertisement without a license (other than those exempted under the by-law). By-law 3(1) of the Kota Kinabalu Municipal Council (Advertisement) By Laws 1983 provides that no person shall exhibit or cause to be exhibited any advertisement other than those exempted under by-law 9 without a licence issued by the council. By-law 18 provides that any person who contravenes any of the provisions of these by-laws or any condition in a licence shall be guilty of an offence and shall be liable to a fine not exceeding RM5,000 and in the case of a continuing offence, a fine not exceeding RM200 for everyday during which such offence is continued.

We require a trading license to carry out our business activities at our business premises. In the event we display our company name on the outer wall of our business premise, we would require an advertisement license. As at LPD, our subsidiaries hold valid trading licences and advertisement licence.

**(d) HDE 1978**

Under the Housing Development (Control and Licensing) Act 1966, no housing development in Peninsular Malaysia and the Federal Territory of Labuan shall be conducted except by a housing developer in possession of a license issued by the Controller of Housing. As the Housing Development (Control and Licensing) Act 1966 only applies in Peninsular Malaysia, it is not applicable to our Group and our Group is governed by the HDE 1978 instead.

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**6. INFORMATION ON OUR GROUP (Cont'd)**

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Section 5 of the HDE 1978 provides that no housing development shall be engaged in, carried on or undertaken or caused to be undertaken except by a housing developer who is in possession of a licence issued under the HDE 1978. Any housing developer guilty of an offence shall on conviction be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding three years or to both. In addition, the licence issued to the housing developers under the HDE 1978 may also be suspended or revoked if the housing developer carries on its business in a manner detrimental to the interest of the purchasers or any member of the public or contravenes any of the provisions of the HDE 1978.

Notwithstanding Section 5 of the HDE 1978, Section 2 of the HDE 1978 provides that nothing in the HDE 1978 shall apply to any body or agency established and incorporated by statute and under the control of the Government or the government of any state.

LPPB is a statutory body established under the HDA 1981. One of the objectives of LPPB is to construct and build affordable housing in Sabah for the benefit of the people in Sabah. The main functions and duties of LPPB are, amongst others, to prepare and execute proposals, plans and projects for the development of towns, redevelopment and extension of existing towns and such areas as designated by the minister, to manage all lands, houses and buildings or other property vested in or belonging to LPPB. As such, LPPB is a statutory body and is exempted from the requirement of having a housing developer licence under the HDE 1978 to undertake the development of the projects.

Our Group will be required to obtain an APDL in respect of the development projects undertaken by us and will be subject to the provisions and regulations as may be made by the Ministry of Local Government and Housing Sabah pursuant to the HDE 1978. However, as at LPD, our subsidiaries are not required to obtain an APDL as we are primarily involved in property development activities with LPPB as a design and build contractor i.e. where our Group provides design and build construction services to LPPB as well as provide financing for the construction of all projects undertaken (by securing financing facilities from financial institutions and/or by utilising internally generated funds. A design and build contractor in projects with LPPB is not required to obtain an APDL pursuant to the HDE 1978.

**(e) Occupational Safety and Health Act, 1994 ("OSHA")**

The OSHA regulates the safety, health and welfare of persons at work, protecting others against the risks of safety or health in connection with the activities of persons at work.

Pursuant to Section 29 of the OSHA, an occupier of a place of work to which this section applies shall employ a competent person to act as a safety and health officer at the place of work. An occupier who contravenes the provisions of this section shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM5,000 or to a term of imprisonment not exceeding 6 months or to both. The employer of the class or description of industries that shall employ a safety and health officer can be found under Order 3 of the Occupational Safety and Health (Safety and Health Officer) Order 1997, which includes any building operation where the total contract price of the project exceeds RM20.0 million.

Pursuant to Section 30 of the OSHA, every employer shall establish a safety and health committee at the place of work if there are 40 or more persons employed at the place of work or the Director General of the Department of Occupational Safety and Health directs the establishment of such a committee at the place of work. A person who contravenes the provisions of this section shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM5,000 or to imprisonment for a term not exceeding 6 months or to both.

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**6. INFORMATION ON OUR GROUP (Cont'd)**

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As at LPD, our Group is in compliance with the relevant provisions under the OSHA.

**(f) Labour Ordinance (Sabah Cap. 67)**

Section 118(1) of the Labour Ordinance (Sabah Cap. 67) provides that no person shall employ any non-resident employee unless he has obtained a Licence to Employ Non-Resident Employee. An employer who fails to comply with this section, or any person who forges, alters or tampers with a Licence to Employ Non-Resident Employee or any person in possession of a forged, altered or tampered Licence to Employ Non-Resident Employee, commits an offence and shall be liable on conviction to a fine not exceeding RM10,000 or to imprisonment for six months or to both.

Section 118(2) of the Labour Ordinance (Sabah Cap. 67) further provides that the power of the Director of the Labour Department of Sabah to issue a Licence to Employ Non-Resident Employee shall be subject to the laws on immigration applicable to Sabah and such licence shall be in such form and subject to such conditions as may be prescribed.

As at LPD, our subsidiary, namely KTISB holds a valid licence to employ non-resident employees. Save for KTISB, none of our other subsidiaries employ non-resident employees.

**(g) Employment (Restriction) Act 1968 and Immigration Act 1959/63 ("Act 155") and all regulations made thereunder**

Employment (Restriction) Act 1968 expressly prohibits a person from employing a non-citizen of Malaysia unless there has been issued in respect of that person a valid employment permit. Failure to obtain the valid employment permit shall be an offence which on conviction is punishable by a fine not exceeding RM5,000 or imprisonment for a term not exceeding 1 year or both.

The employment of foreign workers in Malaysia shall also be subject to Act 155 that regulates the immigration matters in Malaysia. Act 155 provides that no person other than a citizen shall enter Malaysia unless he is in possession of a valid entry permit, his name is endorsed upon the said valid entry permit and he is in the company of the holder of the said entry permit or he is in possession of a valid pass lawfully issued to him to enter Malaysia or exemption is granted to him pursuant to Act 155.

Section 55B(1) of Act 155 provides that a person who employs one or more persons, other than a citizen or a holder of an entry permit, who is not in possession of a valid pass shall be guilty of an offence, and shall on conviction, be liable to a fine of not less than RM10,000 but not more than RM50,000 or to a term of imprisonment not exceeding 12 months or to both for each such employee. Where, in the case of an offence under Section 55B(1) of Act 155, if it is proved to the satisfaction of the court that the person has at the same time employed more than 5 such employees that person shall, on conviction be liable to imprisonment for a term of not less than 6 months but not more than 5 years and shall also be liable to whipping of not more than 6 strokes.

As at LPD, all of our foreign employees are in possession of a valid work permit.

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**6. INFORMATION ON OUR GROUP (Cont'd)**

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**(h) Environment Quality Act, 1974 ("EQA")**

The EQA sets out provisions in respect of prevention, abatement, control of pollution and enhancement of the environment. Section 34A of the EQA states that any person intending to carry out any prescribed activity shall appoint a qualified person to conduct an environmental impact assessment and to submit a report thereof to the Director General in the manner as the Director General of the Department of Environment ("DG") may prescribe and shall not carry out such activity until the report required to be submitted has been submitted and approved.

Any person who contravenes this section shall be guilty of an offence and shall be liable to a fine not exceeding RM500,000 or to imprisonment for a period not exceeding five years or to both and to a further fine of RM1,000 for every day that the offence is continued after a notice by the DG requiring him to comply with the act specified therein has been served upon him. In addition, the DG may issue a prohibition order or stop work order to the person carrying out the prescribed activities without the approval under Section 34A of the EQA.

In exercise of the powers conferred by Section 34A of the EQA, housing development covering an area of 50 hectares or more was prescribed as an activity which may have significant environmental impact pursuant to the Environmental Quality (Prescribed Activities) (Environmental Impact Assessment) Order 1987.

As at LPD, our Group is in compliance with the relevant provisions under the EQA.

**(i) Factories and Machinery Act, 1967 ("FMA")**

The FMA and the relevant regulations made thereunder, including the Factories and Machinery (Notification, Certificate of Fitness and Inspection) Regulations, 1970 provide for the control of factories with respect to matters relating to the safety, health and welfare of persons in the factories, the registration and inspection of machinery and other matters connected therewith. Our Group is required to obtain a valid certificates of fitness pursuant to the FMA for the operation of steam boiler, unfired pressure vessel or hoisting machine other than a hoisting machine driven by manual power. Any person who contravenes this provision shall be served with a notice in writing prohibiting the operation of such machinery or may render such machinery inoperative until such time as a valid certificate of fitness is issued. In addition, such person shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM150,000 or to imprisonment for a term not exceeding 3 years or to both.

As at LPD, our Group is in compliance with the relevant provisions under the FMA.

Save for the past non-compliances as disclosed in Section 6.11, there are no other non-compliances since inception of our Group of regulatory requirements and/or environmental issues which may materially affect our Group's operations arising from the utilisation of our assets. Our Group has not been issued with any penalties pursuant to the laws, regulations, rules or requirements as disclosed above.

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## **6. INFORMATION ON OUR GROUP (Cont'd)**

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### **6.12 ENVIRONMENTAL, SOCIAL AND GOVERNANCE PRACTICES**

#### **(a) Environmental**

Our Group is aware that our business has an impact, whether directly and indirectly, on the environment. As such, we strive to adopt environmentally sustainable practices to avoid or minimise environmental damage where possible. The following are some of the business activities we have carried out as part of our environmental sustainability and responsible practices:

- (i) minimise environmental impact of products developed and services provided by our Group, through the adoption of IBS in our construction operations;
- (ii) collaborate with government, private and educational bodies through knowledge transfer of our IBS technology for students and apprentices; and
- (iii) re-use or re-purpose rejected casted materials and other scraps generated from our Group's IBS processing plant, thus minimising general waste sent to landfills.

#### **(b) Social**

The success of our business is dependent on our employees who assist in managing and growing our business. We are also dependent on other stakeholders, such as, providers of supporting materials and products, contracting and other services as well as our customers for the properties that we develop. Accordingly, we have a social obligation to care for them and where possible assist in their welfare, as part of stakeholder management, in our business operations. The initiatives undertaken by our Group include:

- (i) enhancing development of our employees, through regular sponsors of skills training to support employees in fulfilling their roles and their personal development, as well as to comply with regulatory requirements;
- (ii) built affordable housing in the design and development of property products since our inception in 1984. As leaders in providing affordable homes for all, our Group has designed and built liveable homes which are economical yet spacious and practical for different income groups;
- (iii) built quality developments, which are affordable to the local community using IBS which achieved CIDB scores of up to 89.95% in our completed projects; and
- (iv) implementing strict health and safety policies and procedures at the development site to protect the health and safety of our employees, contractors and the surrounding communities.

#### **(c) Governance**

Our Group recognises the importance in promoting good corporate governance to ensure long term sustainability of our business. Accordingly, we are committed to uphold the required standards of corporate governance and ethical conduct in accordance with the principles and best practices of corporate governance as set out in the MCCG.



**6. INFORMATION ON OUR GROUP (Cont'd)****6.13 EMPLOYEES**

As at LPD, we have a total workforce of 189 employees, which consists of permanent and contractual employees. Local employees accounted for approximately 85.2% of total workforce while the remaining 14.8% were foreign workers. All of our foreign workers have valid working permits.

The breakdown of our employees as at 31 December 2022 and LPD are as follows:

<b>Department</b>	<b>Permanent</b>		<b>Contract/Temporary</b>		<b>Total employees</b>
	<b>Local</b>	<b>Foreign</b>	<b>Local</b>	<b>Foreign</b>	
<b>As at 31 December 2022</b>					
Director	4	-	-	-	4
Key senior management	2	-	1 <sup>(2)</sup>	-	3
Corporate affairs	1	-	-	-	1
Project division	24	-	3	-	27
Contract and tenders and procurement divisions	12	-	-	-	12
Quality assurance, health, safety and environment divisions	8	-	1	-	9
Finance, accounting, human resource and administration divisions	21	-	-	-	21
Sales and marketing division	26	-	10	-	36
Surveying division	4	-	5	1	10
Machinery division	4	-	27	4	35
Construction site worker <sup>(1)</sup>	-	-	1	25	26
<b>Total</b>	<b>106</b>	<b>-</b>	<b>48</b>	<b>30</b>	<b>184</b>
<b>As at LPD</b>					
Director	4	-	-	-	4
Key senior management	2	-	1 <sup>(2)</sup>	-	3
Corporate affairs	1	-	-	-	1
Project division	26	-	3	-	29
Contract and tenders and procurement divisions	12	-	-	-	12
Quality assurance, health, safety and environment divisions	7	-	1	-	8
Finance, accounting, human resource and administration divisions	20	-	-	-	20
Sales and marketing division	28	-	14	-	42
Surveying division	3	-	5	1	9
Machinery division	4	-	27	5	36
Construction site worker <sup>(1)</sup>	-	-	3	22	25
<b>Total</b>	<b>107</b>	<b>-</b>	<b>54</b>	<b>28</b>	<b>189</b>

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**6. INFORMATION ON OUR GROUP (Cont'd)**

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**Notes:**

- (1) Includes 22 employees as at 31 December 2022 and 17 employees as at LPD that were involved in the operations at our IBS casting yards to manufacture IBS components. During FYE 2020 to 2022 and up to LPD, our Group, being the main contractor of our projects, were primarily involved in project management and overseeing construction progress. As such, construction works, including the installation of IBS components, were mainly outsourced to our subcontractors. Please refer to Section 7.9 for our subcontracted services.
- (2) Abdullah Azlan Bin Khalid's employment contract (effective from 1 May 2022 until 30 April 2025) is not a service agreement which provides for benefits upon termination of employment.

There were no significant changes in the number of employees of our Group for FYE 2022 and up to LPD.

None of our employees belong to any labour union and over FYE 2020 to 2022 and up to LPD, there is no labour dispute between our management and our employees. Additionally, over FYE 2020 to 2022 and up to LPD, there has not been any incident of work stoppage that has materially affected our operations.

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